

THE CHARTIST

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Celebrating 45 years

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 Since 1969**

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*ACT-Due to merger we have already realized a long-term gain of \$9,838 +73%

The Chartist Actual Cash Account

STATUS AS OF 01/29/15

ACCESS CODE
 CURRENT **3714**

STOCK	STOCK SYMBOL	NO. OF SHARES	PURCHASE DATE	PURCHASE PRICE	CURRENT PRICE	GAIN (LOSS)	PERCENT CHANGED
*ACTAVIS INC	ACT	162	10/1/13	144.00	273.25	20,939	89.8
ALLSTATE CORPORATION	ALL	346	9/7/12	38.51	71.05	11,259	84.5
AMAZON COM INC	AMZN	53	9/7/12	256.77	311.78	2,916	21.4
BIOGEN IDEC INC	BIIB	89	9/7/12	152.05	353.25	17,907	132.3
ANHEUSER-BUSC INBEV A	BUD	153	9/7/12	87.58	123.47	5,491	41.0
COMCAST CORP NEW CL A	CMCSA	386	9/7/12	34.56	53.87	7,454	55.9
DISCOVER FINANCIAL SV	DFS	356	9/7/12	38.5	54.84	5,817	42.4
D R HORTON CO	DHI	676	9/7/12	19.96	24.84	3,299	24.4
DIAMONDS TRUST SERIES	DIA	530	8/13/12	131.54	173.90	22,451	32.2
DISNEY WALT CO	DIS	260	9/7/12	51.92	93.22	10,738	79.5
EBAY INC	EBAY	276	9/7/12	49.09	53.96	1,344	9.9
EQUINIX INC NEW	EQIX	67	9/7/12	201.22	221.92	1,387	10.3
21ST CENTURY FOX	FOXA	563	9/7/12	21.71	33.86	6,838	55.9
HOME DEPOT INC	HD	237	9/7/12	57.44	107.62	11,893	87.4
ISHARES TR RUSSELL	IWM	875	8/13/12	79.51	118.30	33,941	48.8
MICHAEL KORS HLDGS	KORS	241	9/7/12	56.04	72.53	3,974	29.4
LENNAR CORP CL A	LEN	397	9/7/12	34.04	46.21	4,831	35.8
LINKEDIN CORP	LNKD	113	9/7/12	119.92	223.04	11,653	86.0
MID CAP S P D R TRUST	MDY	400	8/13/12	174.38	264.72	36,136	51.8
NEWS CORP LTD CL A	NWSA	140	9/7/12	11.23	14.93	518	32.9
PULTEGROUP INC	PHM	901	9/7/12	14.73	21.82	6,388	48.1
SHERWIN WILLIAMS CO	SHW	93	9/7/12	144.09	274.87	12,163	90.8
S P D R TRUST UNIT SR	SPY	496	8/13/12	140.5	201.99	30,499	43.8
S P D R TRUST UNIT SR	SPY	430	1/8/13	145.72	201.99	24,196	38.6
SUNTRUST BANKS INC	STI	501	9/7/12	27.62	38.90	5,651	40.8
TARGET CORPORATION	TGT	208	9/7/12	64.37	75.49	2,313	17.3
T J X COS INC	TJX	294	9/7/12	45.98	67.61	6,359	47.0
VANGUARD TOTAL STOCK	VTI	973	8/13/12	71.65	104.52	31,983	45.9

CURRENT STOCK VALUE \$1,045,048.00
 TOTAL COST \$704,779.00

MONEY MARKET FUNDS \$26,827.00
 TOTAL PROFITS \$340,269.00

Above are all the open positions in the Chartist long-term managed account. On each and every trade, actual cash is deployed. Copies of the complete Track Record are available upon request. Whenever the Chartist makes recommendations concerning this account, they are placed on our Hotline at approximately 3:00 PM West Coast Time. The Actual Cash Account is NOT hypothetical. It is the personal account of Dan Sullivan. We do not act on behalf of ourselves or the Actual Cash Account until the day after our hotline is activated, this gives everyone ample time to accept or reject the advice placed on the Hotline. The Chartist does have discretionary managed accounts who may buy or sell the same securities listed in our publication before or after they are recommended on our newsletter or hotlines. The performance results of the Actual Cash Account are presented gross of advisory fees. Officers, employees, affiliates and clients of The Chartist, Inc. may have positions in securities and may make additional purchases or sales.

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OUR MODELS ARE HIGHLY BULLISH

Recent events have unsettled the market. But that has been the story all along. This bull market has persisted month after month in the face of adverse news. Remember the fiscal cliff? With our models in a highly bullish mode, our advice is to stay fully invested. The bad news started when Caterpillar reported almost a 25% decline in fourth quarter profit while warning that the steep drop in oil prices would harm its business in 2015. Procter & Gamble and Microsoft both said that the stronger dollar would lower sales and earnings going forward. With many analysts banking on a resurgent U.S. economy to improve corporate profits, the downbeat results were not welcome.

Other companies are starting to feel the heat as well. According to Thomson Reuter I/B/E/S, of the S&P 500 companies that have reported fourth quarter results, earnings are on track to increase 3.3%. That growth rate would be the slowest since the third quarter of 2012 and well below the 10% rate achieved in the third quarter. Analysts have sliced their projections. On January 1, fourth quarter earnings were estimated at 4.2% and back on October 1, at 11.2%. Full-year 2015 earnings have been lowered to 5.7% from 8.1%.

According to the Commerce Department, orders for long-lasting products like cars, computers and appliances fell 3.4% in December from the previous month. Economists were predicting an increase in the range of 0.5% to 0.7%. The decline was underscored by a 56% plunge in new orders for non-military aircraft and related parts. Still, there was a decrease across most segments with machinery, computers and communications equipment all suffering setbacks. Excluding aircraft and other transportation equipment, orders were down 0.8%. Monthly numbers are often volatile and it's important to note that overall, 2014 was a solid year as durable goods rose 6.2% compared to 2013.

The end-of-year declines could be an early warning that the economy might face headwinds in 2015. The consensus estimate by economists is that growth will hover at an annual pace at around 3.0%. Those numbers will be closely watched with many economists already downgrading their projections. The economy grew at an annual pace of

5.0% in the third quarter and 4.8% in the second quarter.

The chart patterns of the major indices are bullish. The benchmark S&P 500 is only 3.3% away from record high territory. As you can see by the chart below, it is in the process of digesting the substantial gains that were garnered between mid-October and early December. It is currently comfortably above its 200-day moving average (DMA) and within striking distance of its 50 DMA, which it has crisscrossed on two occasions since the beginning of the month. It is also holding above support in evidence at its intraday January lows. There is also additional support at the intra-day December lows (2016.89).

The Nasdaq, which is 2.6% below its bull market highs, is also comfortably above its 200-day line and as well as its mid-December and mid-January areas of support. It is also locked in a trading range and digesting progressive gains that were garnered coming off its October lows. We have been particularly impressed by the price action of the S&P midcap index, which is only 1.3% away from record high territory and comfortably above its uptrending 200-day line. The Russell 2000 is also giving a good account of itself. Granted it has been an underperformer. Over the last 11 months, stretching back to March of last year, it has only gained 1.2% versus 9.5% for the S&P 500. However it has bounced 13.4% off of its October lows. And it is only 2.4% away from record high territory.



Breadth on the NYSE remains positive with the daily advance/decline line hitting bull market highs this past Monday. On top of this, the number of NYSE new highs on Wednesday reached the highest level in close to 15 months. The yield curve has been flattening, but it is still bullish and nowhere near the condition it was prior to the last two bear markets.



There has been a lot of chatter about the recent volatility but it is really not that extreme. Over the past 50 days, there have only been two trading sessions in which the S&P 500 posted gains or losses of 2% or more. It occurred in back-to-back sessions on December 17th and 18th with the S&P 500 posting gains of +2.04% and +2.40%. It will recall that our volume thrust indicator flashed a major buy signal when upside volume exceeded downside volume by 17:1 and 8:1 over the two days.

A buy signal is generated when upside volume exceeds downside volume by over 10:1 on day one and 4:1 on day two. Since then there have been no 2%+/- days. This is mild compared to a 50-day period back in late 2011 when there were 15+/- days. Another way to measure volatility is to observe the price/action of the VIX. Over the past three years, the peak reading on a closing basis was 26.66 while over the previous three-year period it exceeded this level on numerous occasions. What we're getting at here is that it is not all that volatile out there. It just seems that way because the market had been in a sweet spot of extremely low

volatility for months on in.

The Fed released its policy decision yesterday afternoon, and there was nothing unexpected. The committee reaffirmed its view that the current 0 to ¼% target range for the federal funds rate remains appropriate. The condition of the economy was upgraded to “expanding at a solid pace” versus “moderate pace” at the previous meeting. Inflation expectations remain the same. Global risks had increased. They continue to use the word “patience” in reference to a rate increase.

The initial knee jerk reaction of the markets was to move slightly higher. The up move lasted all of five minutes and then the S&P 500 proceeded to take a swan dive, dropping a solid 1.67% into the market close. Apparently the market interpreted, due to the bullishness of the report, that the Fed was inclined to raise rates sooner than later. Long term interest rates fell from 2.4% to 2.29%, a completely contrary move along with oil dropping 3.01%.

John Hilsenroth, Wall Street Journal writer, just released a story in which he claims his sources at the Fed tell him that the Fed is “on track” to start raising short-term interest rates later this year, even though long-term rates are going in the other direction amid new investor worries about weak global growth, falling oil prices and slowing consumer price inflation.

Jeffery Gundlach, hugely successful founder of the Doubleline Fixed Income Funds, had this to say about the Fed's intention to raise short term interest rates: “There is no fundamental reason to raise interest rates. My idea is the Fed raises rates for philosophical reasons. That may be short lived. If Fed Chair Janet Yellen goes ahead with this plan, she runs the risk of having to quickly reverse course and cut interest rates.”

*ACT-Due to merger we have already realized
a long-term gain of \$58,223 +73%

Dan's Aggressive Account

STATUS AS OF 1/29/15

STOCK	STOCK SYMBOL	NO. OF SHARES	PURCHASE DATE	PURCHASE PRICE	AMOUNT INVESTED	CURRENT PRICE	CURRENT VALUE	GAIN (LOSS)	PERCENT CHANGED
ABBVIE	ABBV	1,251	01/02/13	34.12	42,684	63.12	78,963	36,279	85.0
ABBOTT LABORATORIES	ABT	1,251	08/13/12	31.75	39,719	45.26	56,620	16,901	42.6
*ACTAVIS INC	ACT	958	10/01/13	144.00	137,952	273.25	261,774	123,822	89.8
ALLSTATE CORPORATION	ALL	2,178	08/13/12	37.98	82,729	71.05	154,747	72,018	87.1
ALLSTATE CORPORATION	ALL	2,040	09/07/12	38.49	78,525	71.05	144,942	66,417	84.6
AMGEN INCORPORATED	AMGN	1,000	08/13/12	82.38	82,379	156.37	156,370	73,991	89.8
AMAZON COM INC	AMZN	316	09/07/12	256.63	81,094	311.78	98,522	17,428	21.5
BIOGEN IDEC INC	BIIB	568	08/13/12	145.08	82,403	353.25	200,646	118,243	143.5
BIOGEN IDEC INC	BIIB	523	09/07/12	151.97	79,480	353.25	184,750	105,270	132.4
ANHEUSER-BUSCH INBEV ADRF	BUD	1,021	08/13/12	81.37	83,078	123.47	126,063	42,985	51.7
ANHEUSER-BUSCH INBEV ADRF	BUD	904	09/07/12	87.53	79,128	123.47	111,617	32,489	41.1
CBS CORPORATION	CBS	2,318	08/13/12	35.51	82,321	55.72	129,159	46,838	56.9
COMCAST CORP NEW CL A	CMCSA	2,382	08/13/12	34.55	82,307	53.87	128,318	46,011	55.9
COMCAST CORP NEW CL A	CMCSA	2,273	09/07/12	34.54	78,514	53.87	122,447	43,933	56.0
DISCOVER FINANCIAL SVCS	DFS	2,245	08/13/12	36.76	82,535	54.84	123,116	40,581	49.2
DISCOVER FINANCIAL SVCS	DFS	2,093	09/07/12	38.48	80,540	54.84	114,780	34,240	42.5
D R HORTON CO	DHI	3,978	09/07/12	19.95	79,360	24.84	98,814	19,454	24.5
DISNEY WALT CO	DIS	1,666	08/13/12	49.54	82,526	93.22	155,305	72,779	88.2
DISNEY WALT CO	DIS	1,530	09/07/12	51.89	79,398	93.22	142,627	63,229	79.6
EBAY INC	EBAY	1,880	08/13/12	44.07	82,861	53.96	101,445	18,584	22.4
EBAY INC	EBAY	1,623	09/07/12	49.06	79,626	53.96	87,577	7,951	10.0
EQUINIX INC NEW	EQIX	463	08/13/12	182.93	84,697	221.92	102,749	18,052	21.3
EQUINIX INC NEW	EQIX	402	09/07/12	201.28	80,915	221.92	89,212	8,297	10.3
21ST CENTURY FOX	FOXA	3,537	08/13/12	20.67	73,109	33.86	119,745	46,636	63.8
21ST CENTURY FOX	FOXA	3,315	09/07/12	21.70	71,934	33.86	112,229	40,296	56.0
HOME DEPOT INC	HD	1,395	09/07/12	57.41	80,088	107.62	150,130	70,042	87.5
MICHAEL KORS HLDGS	KORS	1,420	09/07/12	56.01	79,535	72.53	102,993	23,458	29.5
LENNAR CORP CL A	LEN	2,651	08/13/12	31.23	82,800	46.21	122,503	39,703	48.0
LENNAR CORP CL A	LEN	2,340	09/07/12	34.02	79,617	46.21	108,131	28,514	35.8
LINKEDIN CORP	LNKD	668	09/07/12	119.85	80,062	223.04	148,991	68,929	86.1
ALTRIA GROUP INC	MO	2,363	08/13/12	34.91	82,501	54.39	128,524	46,023	55.8
NEWS CORP LTD CL A	NWSA	884	08/13/12	10.69	9,453	14.93	13,202	3,748	39.7
NEWS CORP LTD CL A	NWSA	829	09/07/12	11.22	9,301	14.93	12,373	3,072	33.1
PULTEGROUP INC	PHM	6,629	08/13/12	12.52	83,004	21.82	144,645	61,641	74.3
PULTEGROUP INC	PHM	5,304	09/07/12	14.72	78,092	21.82	115,733	37,641	48.2
PHILIP MORRIS INTL INC	PM	897	08/13/12	91.99	82,515	81.22	72,854	-9,661	-11.7
SHERWIN WILLIAMS CO	SHW	584	08/13/12	141.01	82,347	274.87	160,524	78,177	94.9
SHERWIN WILLIAMS CO	SHW	552	09/07/12	144.01	79,491	274.87	151,728	72,237	90.9
S P D R TRUST UNIT SR	SPY	3,970	01/08/13	145.72	578,517	201.99	801,901	223,384	38.6
SUNTRUST BANKS INC	STI	2,946	09/07/12	27.60	81,318	38.90	114,599	33,281	40.9
A T & T INC NEW	T	2,206	08/13/12	37.39	82,491	32.96	72,710	-9,781	-11.8
TARGET CORPORATION	TGT	1,316	08/13/12	62.56	82,325	75.49	99,345	17,020	20.7
TARGET CORPORATION	TGT	1,224	09/07/12	64.33	78,745	75.49	92,400	13,655	17.3
T J X COS INC	TJX	1,860	08/13/12	44.40	82,593	67.61	125,755	43,162	52.3
T J X COS INC	TJX	1,729	09/07/12	45.95	79,448	67.61	116,898	37,450	47.1
VISA INC CL A	V	641	08/13/12	128.71	82,506	248.00	158,968	76,462	92.7
WAL-MART STORES INC	WMT	1,122	08/13/12	73.42	82,357	87.72	98,422	16,065	19.5
					4,128,920		6,315,863	2,186,943	53.0%

BEGINNING VALUE 10/09/07 \$5,000,000
MARGIN BALANCE \$0
TOTAL PROFITS \$1,475,223

MONEY MARKET FUNDS \$159,360
NET CURRENT VALUE \$6,475,223
% RETURN 29.50%

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Trader's Portfolio

STOCK	SYMBOL	PURCHASE DATE	PURCHASE PRICE	CURRENT PRICE	PERCENT PROFIT	MENTAL STOP
AMGEN INCORPORATED	AMGN	08/13/12	82.37	156.37	89.84	135.13
AMGEN INCORPORATED	AMGN	11/03/14	162.08	156.37	-3.52	145.24
BIOGEN IDEC INC	BIIB	08/13/12	145.06	353.25	143.52	290.12
BLACKROCK	BLK	05/15/13	284.39	346.94	21.99	303.45
BERKSHIRE HATHAWAY CL B	BRKB	04/23/14	127.49	146.29	14.75	122.72
CELGENE	CELG	11/03/14	106.84	120.87	13.13	103.69 ★
COMCAST CORP	CMCSA	08/13/12	34.55	53.87	55.92	50.47
DISCOVER FINANCIAL SVCS	DFS	08/13/12	36.76	54.84	49.18	54.78
HCA HOLDINGS	HCA	08/19/14	69.15	72.19	4.40	61.07
HARTFORD FINANCIAL	HIG	05/15/13	30.44	39.57	29.99	33.64
ILLUMINA	ILMN	11/03/14	192.58	200.00	3.85	174.01
ISHARES RUSSELL 1000 VALUE	IWD	04/23/14	96.93	101.71	4.93	95.37
ISHARES RUSSELL 2000 GROWTH	IWO	11/03/14	137.79	142.15	3.16	123.00
ISHARES DOW JONES TRANSPORTATION	IYT	01/11/12	92.23	158.92	72.31	139.06
ISHARES DOW TRANSPORTS	IYT	11/03/14	157.86	158.92	0.67	139.06
KROGER	KR	06/04/14	47.76	69.34	45.18	56.45
MARRIOTT	MAR	11/03/14	75.70	77.11	1.86	67.30
REGENERON PHARM	REGN	08/19/14	349.94	414.64	18.49	360.10
MARKET VECTORS SEMICONDUCTOR	SMH	04/23/14	45.57	53.86	18.19	47.48
SPDR S&P 500	SPY	07/12/13	167.39	201.99	20.67	188.07
SPDRS S&P 500	SPY	11/03/14	201.92	201.99	0.03	188.07
TEVA PHAR	TEVA	04/23/14	51.27	57.56	12.27	48.74
TESORO	TSO	11/03/14	71.96	80.44	11.78	64.45
UNITED CONTINENTAL	UAL	11/03/14	52.95	73.53	38.87	59.65 ★
UNION PACIFIC CORPORATION	UNP	01/11/12	55.72	120.14	115.61	101.18
VANGUARD SMALL CAP	VB	03/08/13	89.80	115.90	29.06	103.50
VANGUARD DIVIDEND APPREC	VIG	04/23/14	76.01	79.69	4.84	73.75
VANGUARD VALUE	VTV	03/08/13	65.10	82.40	26.57	74.84
SPDRS SELECT SECTOR TECHNOLOGY	XLK	08/19/14	39.77	40.40	1.58	36.74
ALLSTATE	ALL	12/30/14	70.97	71.05	0.11	62.64
ABBVIE	ABBV	12/30/14	66.77	63.12	-5.47	59.36
WESTERN DIGITAL	WDC	12/30/14		STOPPED OUT NET LOSS -7.16%		
SHERWIN WILLIAMS	SHW	12/30/14	264.76	274.87	3.82	235.10
POWERSHARES QQQ	QQQ	12/30/14	104.73	101.89	-2.71	95.32
SPDR FINANCIAL	XLFX	12/30/14	25.00	23.39	-6.44	22.27
ISHARES DOW JONES REAL ESTATE	IYR	12/30/14	77.89	82.58	6.01	70.11

The above recommendations are for short- or intermediate-term Traders. Mental Stops are deployed on all recommendations. When a stock drops below its mental stop and stays under on a closing basis, it should be sold the next day.

★ = Raise Mental Stops * = Adjusted For Split

Bill Gross, the former co-founder of Pimco and now situated at James Capital, said in a CNBC interview after the press release, "The Fed is likely to raise short term rates by 25 basis points sometime around June."

QUESTIONS AND ANSWERS

Q: The dollar has made a very powerful upside rally in recent weeks. Is this bullish or bearish for the stock market's prospects?

A: The rising value of the dollar is being cited as a factor for the decline in durable goods orders as well as choking corporate profits for many companies. A rising dollar reduces demand for U.S. products abroad as prices increase compared to products from other countries. Also, when sales from overseas markets are converted to U.S. dollars, it translates back into fewer dollars. The companies mostly affected by a strong dollar are large blue-chip companies with a significant overseas market

share. Procter & Gamble is a prime example with more than 60% of its sales coming from outside North America. It expects foreign exchange rates to cut its fiscal 2015 earnings by 12% and reduce its revenue by 5%. The company said it plans to eliminate 2,300 more jobs by the time its fiscal year ends in June. It has already cut 9,300 positions as part of its multi-year restructuring efforts.

Q: Will U.S. share prices really be affected by what is happening in Greece?

A: They could be. Greece just elected a radical anti-austerity party into office. The new government is expected to try and renegotiate the terms of its financial bail-out with its European Union creditors. This raises the prospects of Greece's exit from the Eurozone. The result could be uncertainty in the region with the possibility of the economic turmoil spreading to other high-risk countries. The fall-out could eventually spread and effect global economies including the U.S.

EARNINGS UPDATES

BLACKROCK, INC. (BLK) reported fourth-quarter adjusted earnings of \$4.82 per share, surpassing the Zacks Consensus Estimate of \$4.68 for the fifth consecutive quarter. For the full year 2014, adjusted earnings per share came in at \$19.34, up 17% year over year. This also outpaced the Zacks Consensus Estimate of \$19.24. Robust inflows proved to be the major contributor to the better-than-expected results.


SUNTRUST BANKS, INC. (STI) reported fourth-quarter profit decreased by almost 5 percent to \$394 million. The bank, based in Atlanta, said it had earnings of 72 cents per share. Earnings, adjusted for non-recurring costs, were 88 cents per share. The results beat Wall Street expectations. For the year, the company said profit rose 37 percent to \$1.77 billion, or \$3.23 per share. Revenue fell 5 percent to \$8.16 billion.

DISCOVER FINANCIAL (DFS) net income fell 33

percent in the last three months of 2014, as several one-time charges cut into gains in credit card and loan revenue. The latest results fell short of Wall Street's expectations, sending shares in the credit card issuer and lender down 3.3 percent in after-market trading Wednesday. Still, total loans climbed 6.4 percent, as credit-card lending, private student loans and personal loans all increased.

EBAY, INC. (EBAY) reported fourth-quarter net income of \$936 million. The San Jose, California-based company said it had profit of 75 cents per share. Earnings, adjusted for one-time gains and costs, came to 90 cents per share. The results topped Wall Street expectations. The average estimate of analysts surveyed by Zacks Investment Research was for earnings of 89 cents per share. eBay expects full-year earnings in the range of \$3.05 to \$3.15 per share, with revenue ranging from \$18.6 billion to \$19.1 billion.

UNION PACIFIC, INC. (UNP) is the largest railroad in North America providing rail transportation services across 23 states in the U.S. Union Pacific also connects with Canada's rail systems and is the only railroad, serving all the six major gateways to Mexico. Union Pacific has an impressive track record having delivered positive earnings surprises in three of the last four quarters, with an average beat of 0.91%. Earnings: Union Pacific beat on earnings. Adjusted Earnings per share came in at \$1.61, higher than the Zacks Consensus Estimate of \$1.51. Results were aided by increased freight volumes.

D.R.HORTON, INC. (DHI) reported fiscal first-quarter earnings of \$142.5 million. On a per-share basis, the Fort Worth, Texas-based company said it had profit of 39 cents. The results topped Wall Street expectations. The average estimate of analysts surveyed by Zacks Investment Research was for earnings of 35 cents per share. The homebuilder posted revenue of \$2.3 billion in the period, also surpassing Street forecasts. Analysts expected \$2.11 billion, according to Zacks. 

RELATIVE STRENGTH RATINGS

Name	Symbol	Last	P/E Ratio	Yield %	Mkt Cap	EPS Est (current year)	EPS Est (next year)	Pct from 200d MA	Pct from 50d MA
•1 DELTA AIR LINES, INC. Provides scheduled air transportation for passengers and cargo in the United States and internationally.	DAL	50.21	64.37	0.7	41.42B	4.94	5.64	21.54%	5.07%
•2 UNITED CONT. HOLDS, INC. Provides passenger and cargo transportation services.	UAL	73.53	25.1	0	27.14B	10.65	10.73	37.05%	11.06%
•3 LOWE'S COMPANIES INC. Operates as a home improvement retailer.	LOW	69.93	27.75	1.3	68.04B	2.67	3.28	22.02%	3.59%
•4 ACTAVIS PLC Engages in developing, manufacturing, marketing, selling, and distributing generic, branded generic, and over-the-counter pharmaceutical products worldwide.	ACT	273.25	-	-	72.43B	13.64	16.6	12.83%	3.03%
•5 THE SHERWIN-WILLIAMS CO. Engaged in the development, manufacture, distribution, and sale of paints, coatings, and related products.	SHW	274.87	32.35	0.8	26.39B	8.81	11.03	18.63%	3.96%
•6 PALO ALTO NETWORKS, INC. Provides enterprise security platform to enterprises, service providers, and government entities worldwide.	PANW	129.29	-	-	10.41B	0.74	1.46	25.58%	4.63%
•7 UNION PACIFIC CORP. Provides rail transportation services in North America.	UNP	120.09	20.89	1.7	106.36B	6.6	7.48	8.66%	3.23%
•8 GILEAD SCIENCES INC. Discovers, develops, and commercializes human therapeutics for the treatment of life threatening diseases in North America, Europe, and Asia.	GILD	104.18	18.56	-	157.17B	7.9	9.85	2.64%	3.89%
•9 REGENERON PHARM., INC. A biopharmaceutical company, discovers, invents, develops, manufactures, and commercializes medicines for the treatment of serious medical conditions.	REGN	414.64	141.76	-	41.79B	10	11.78	11.04%	0.79%
•10 AMGEN INC. Delivers human therapeutics in the areas of oncology, hematology, inflammation, bone health, nephrology, cardiovascular, and general medicine worldwide.	AMGN	156.37	23.34	2	119B	9.27	10.52	6.86%	-2.14%
•11 ALLERGAN INC. Operates as a multi-specialty health care company.	AGN	222.39	51.98	0.1	66.25B	6.3	8.56	18.25%	3.45%
•12 MALLINCKRODT PUB. LMT CO. Develops, manufactures, markets, and distributes specialty pharmaceutical products and medical imaging agents worldwide.	MNK	108.74	-	-	12.64B	6.63	7.86	23.87%	8.86%
•13 WHIRLPOOL CORP. Manufactures and markets home appliances and related products worldwide.	WHR	203.95	21.64	1.5	15.88B	11.11	14.39	23.07%	5.67%
•14 THE ALLSTATE CORP. Provides personal property and casualty insurance, life insurance, and retirement and investment products.	ALL	71.05	11.49	1.6	29.8B	5.33	5.81	10.79%	1.58%
•15 THE HOME DEPOT, INC. Operates as a home improvement retailer.	HD	107.62	24.56	1.8	141.82B	4.49	5.23	14.86%	4.51%
•16 INCYTE CORPORATION Focuses on the discovery, development, and commercialization of proprietary small molecule drugs primarily for oncology and inflammation.	INCY	81.35	-	-	13.74B	-0.15	0.21	34.69%	8.08%
•17 ANHEUSER-BUSCH a brewing company, produces, markets, distributes, and sells beer.	BUD	123.47	22.34	2.1	198.4B	5.24	5.52	10.71%	8.24%
•18 BIOGEN IDEC INC. Discovers, develops, manufactures, and markets therapies for the treatment of multiple sclerosis (MS), neurodegenerative diseases, hemophilia, and autoimmune disorders.	BIIB	353.25	33.45	-	83.42B	13.53	16.37	7.08%	1.86%

Name	Symbol	Last	P/E Ratio	Yield %	Mkt Cap	EPS Est (current year)	EPS Est (next year)	Pct from 200d MA	Pct from 50d MA
•19 THE WALT DISNEY CO. Operates as an entertainment company worldwide.	DIS	93.22	21.88	1.2	158.07B	4.67	5.42	3.62%	-0.39%
•20 THE KROGER CO. Operates as a retailer worldwide.	KR	69.34	21.53	1.1	34.07B	3.4	3.71	23.65%	6.85%
•21 TESORO CORPORATION Engaged in refining and marketing petroleum products in the United States.	TSO	80.44	15.4	1.5	10.29B	6.88	6.25	19.26%	8.89%
•22 PPG INDUSTRIES INC. Manufactures and distributes coatings, optical and specialty materials, and glass products.	PPG	225.71	15.02	1.2	30.98B	11.48	12.92	8.40%	-0.40%
•23 ILLUMINA INC. Develops, manufactures, and markets life science tools and integrated systems for the analysis of genetic variation and function.	ILMN	200	84.39	-	28.47B	3.2	3.9	12.07%	5.93%
•24 ABBVIE INC. Discovers, develops, manufactures, and sells pharmaceutical products worldwide.	ABBV	63.12	27.44	3.1	100.57B	3.3	4.38	5.06%	-3.17%
•25 LENNAR CORP. Engaged in homebuilding activities in the United States.	LEN	46.21	16.49	0.4	9.47B	3.11	3.54	10.83%	4.88%
•26 AETNA INC. Operates as a diversified health care benefits company in the United States.	AET	93.61	15.63	1.1	32.92B	6.69	7.16	11.65%	3.68%

Stocks which are added to the Relative Strength Ratings are not buy recommendations. Conversely, stocks that are deleted from the ratings are not sell recommendations. Basically, the ratings can be thought of as our watchlist. The Relative Strength Ratings represent our way of tracking high relative strength stocks. By high relative strength, we are referring to stocks that are significantly stronger than the overall market, as of the day of publication of the newsletter. These are the stocks we are currently monitoring and are potential buy candidates.

ADDITIONS		DELETIONS	
INCYTE CORP (INCY)	ILLUMINA (ILMN)	FLEETCOR TECH (FLT)	VISA (V)
ANHEUSER BUSCH (BUD)	AETNA (AET)	WESTERN DIGITAL (WDC)	SEAGATE TECH (STX)
TESORO (TSO)		WYNDHAM WORLDWIDE (WYN)	

SYM=Stock's ticker tape symbol. EXCH=Exchange the stock is traded on (A=AMEX) (N=NYSE) (O=NASDAQ). LAST=Closing price as of publication date. P/E Ratio=Current stock price divided by trailing annual earnings per share. YIELD=Current yield based upon the current price and the total dividends over the past 12 months. MKT CAP=calculated by multiplying the Last Trade by the current number of shares outstanding. EPS EST (CURRENT YEAR)=The estimated annual earnings for the current fiscal year. EPS EST (NEXT YEAR)=The estimated annual earnings for the next fiscal year. PCT FROM 200d MA=% above/below 200 day moving average. PCT FROM 50d MA=% above/below 50 day moving average.

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